AMENDMENTS TO THE SPECIFICATION:

Starting at page 70, last paragraph, and continuing to page 71, first paragraph, please change to read as follows:

Fig. 34 is a diagram showing the construction of a distortion compensating apparatus according to a second embodiment for controlling the amplitude of the feedback signal y (t). Components identical with those of the first embodiment of Fig. 30 are designated by like reference characters. This second embodiment differs from the first embodiment in that (1) a DAC-limit surpass detector 82 (for example, as illustrated in Fig. 34) is provided in the second embodiment for detecting whether the transmit signal after the distortion compensation thereof has surpassed a DA converter limit LM_L (see Fig. 2); (2) the amplitude controller 81 controls the amplitude of the feedback signal y(t) when the transmit signal after the distortion compensation thereof has surpassed the DA converter limit LM_L; and (3) a fixed gain G_0 (>1) that is independent of the level of the transmit signal x(t) has been set in the gain setting unit 81a.